



The Role of Mobile and Video In the Apparel Shopper Digital Path to Purchase

U.S.
July 2012

Methodology

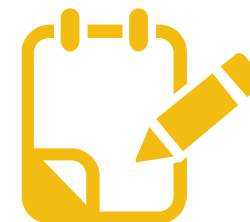
- Better understand how digital drives apparel research and purchases
- Compete conducted an online survey using panelists who researched or shopped for apparel online within the past 6 months. Surveys were fielded between May 1st through May 25th 2012 (n=1,321)
- Clickstream purchase analysis was run for Q2 and Q3 2011 (aggregated)
- See appendix for brands included in the analysis



We **tracked** consumers online shopping activity to understand shopping and searching patterns.



We **analyzed the behavior of apparel purchasers** tracking their behavior backward from the point of purchase.



Surveyed apparel shoppers to understand their shopping behavior.

Executive summary

1 Digital is core to apparel shopping and consumers are shopping across devices: More than half of apparel sales will be online influenced by end of 2012

2 Mobile devices aid discovery: Nearly half of mobile apparel shoppers discover new brands on mobile devices

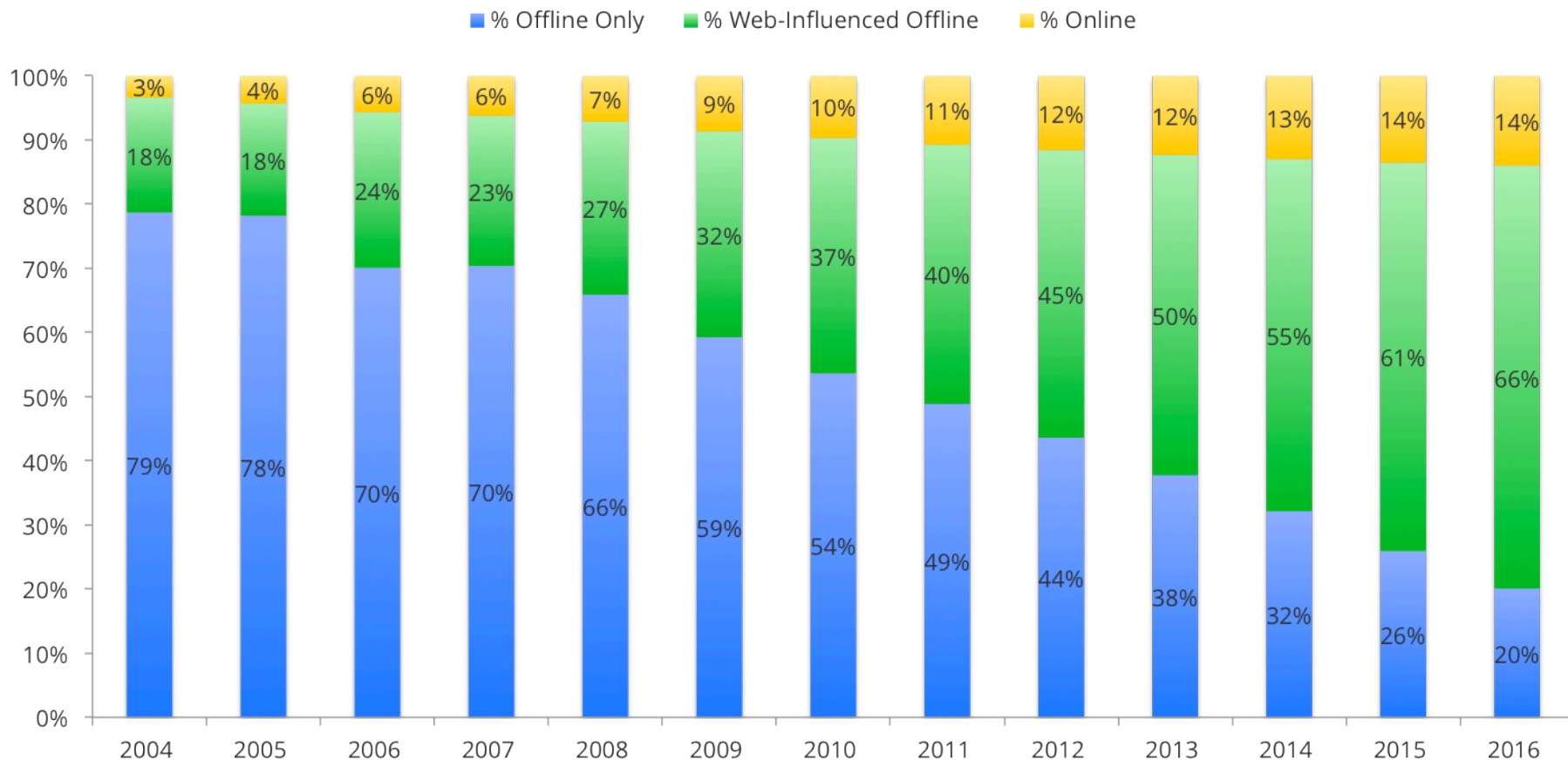
3 Video drives apparel sales: 4 in 10 visited in store or retailer website as a result of watching apparel videos

Digital is core to apparel shopping



57% of Apparel Sales will be online influenced in 2012

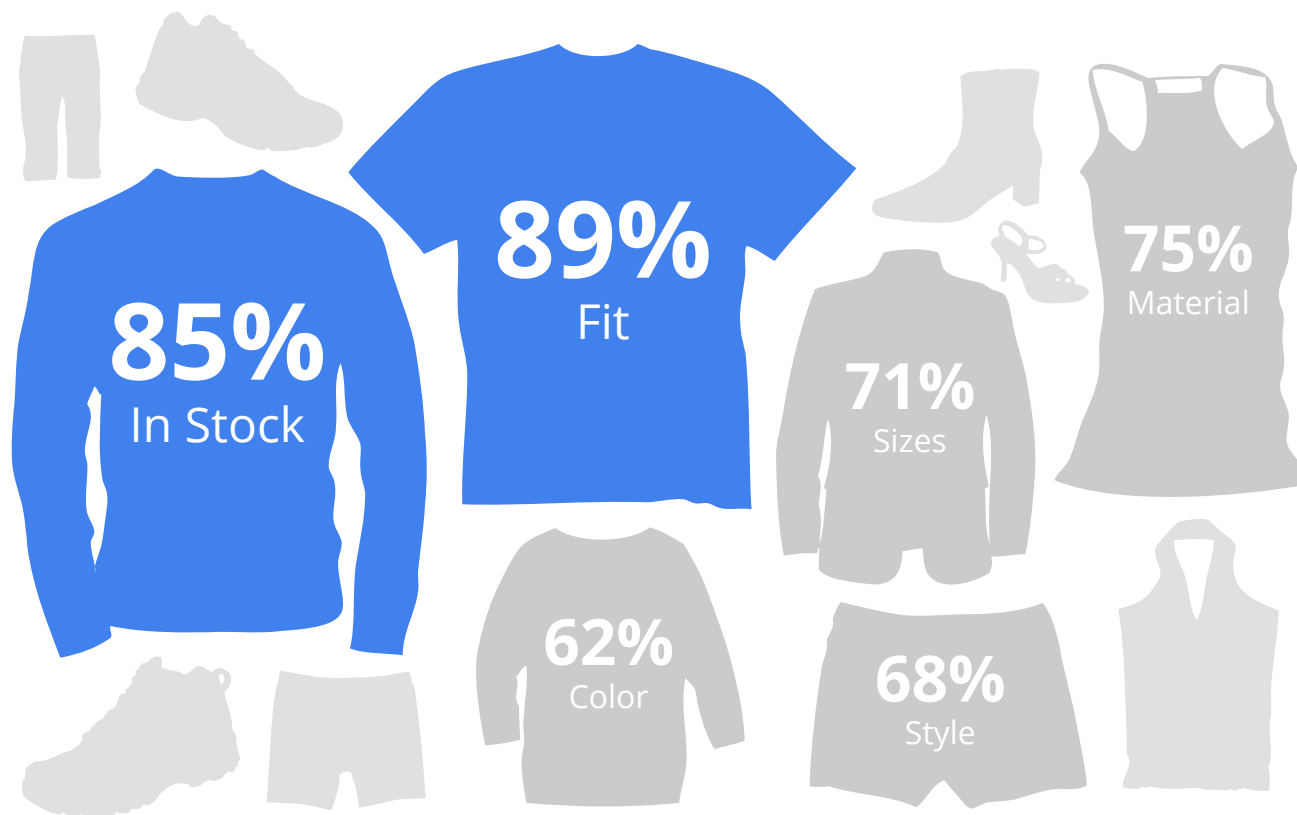
Apparel: Retail Sales Forecast



All categories show positive growth but dresses shows the highest UV growth Y-o-Y



Apparel shoppers prioritize fit and availability over other features



Online purchasers are motivated by convenience, deals and inventory availability



50% Purchased online because it is convenient

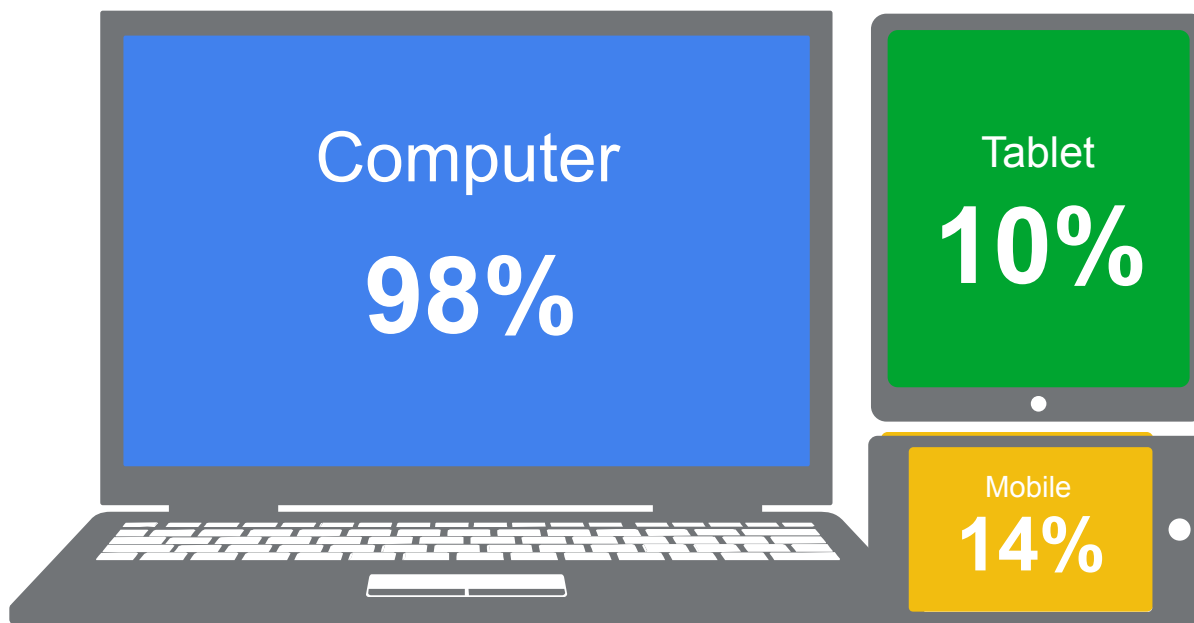
46% Purchased online because there was free shipping

40% Purchase online for better prices – and **37%** purchased because of exclusive online deals

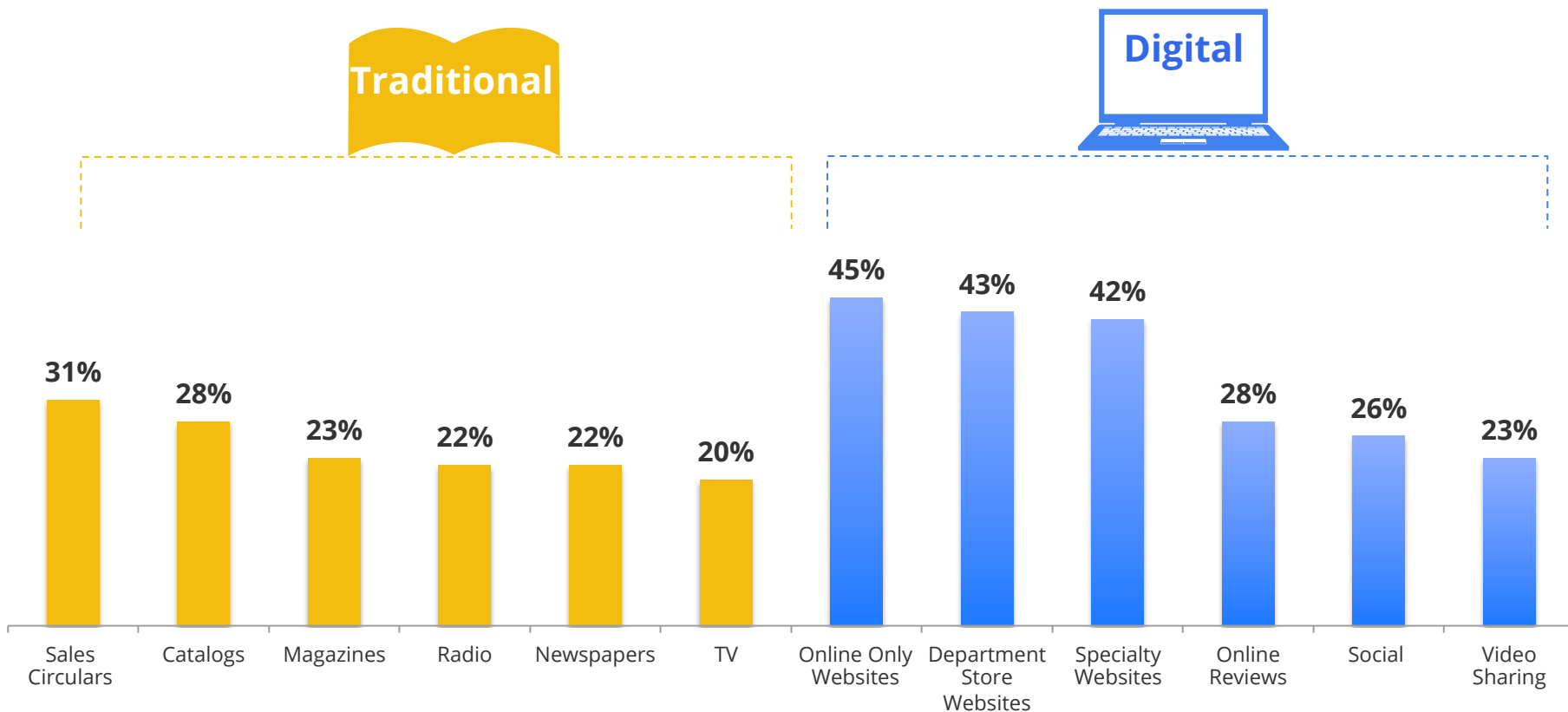
39% Purchase online for selection and **21%** purchased online because it was the only place that carried the item they wanted

Apparel shoppers research across devices...

More than 1 in 5 apparel consumers are using their tablets or mobile devices on a **daily basis** for shopping

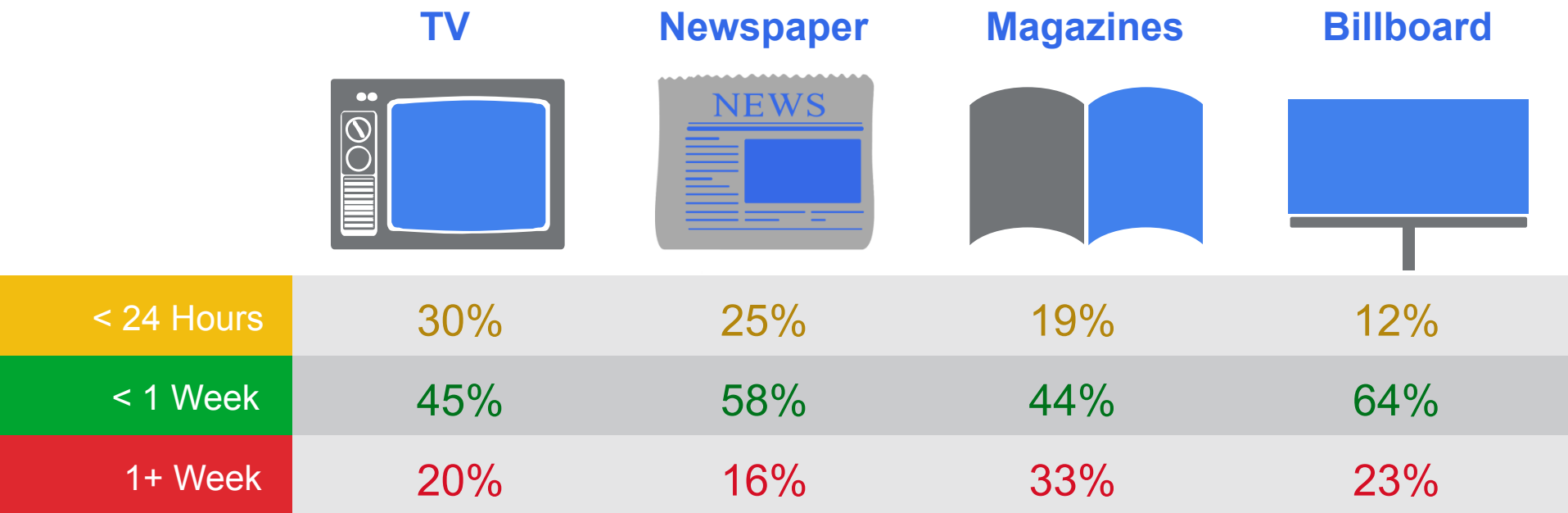


Digital is used more throughout the research process



Offline advertising fuels online research

Types of ads viewed



Roughly 3 in 4 consumers research online after seeing an offline ad

Apparel purchasers window shop online: Over **1 in 4** purchases are impulsive

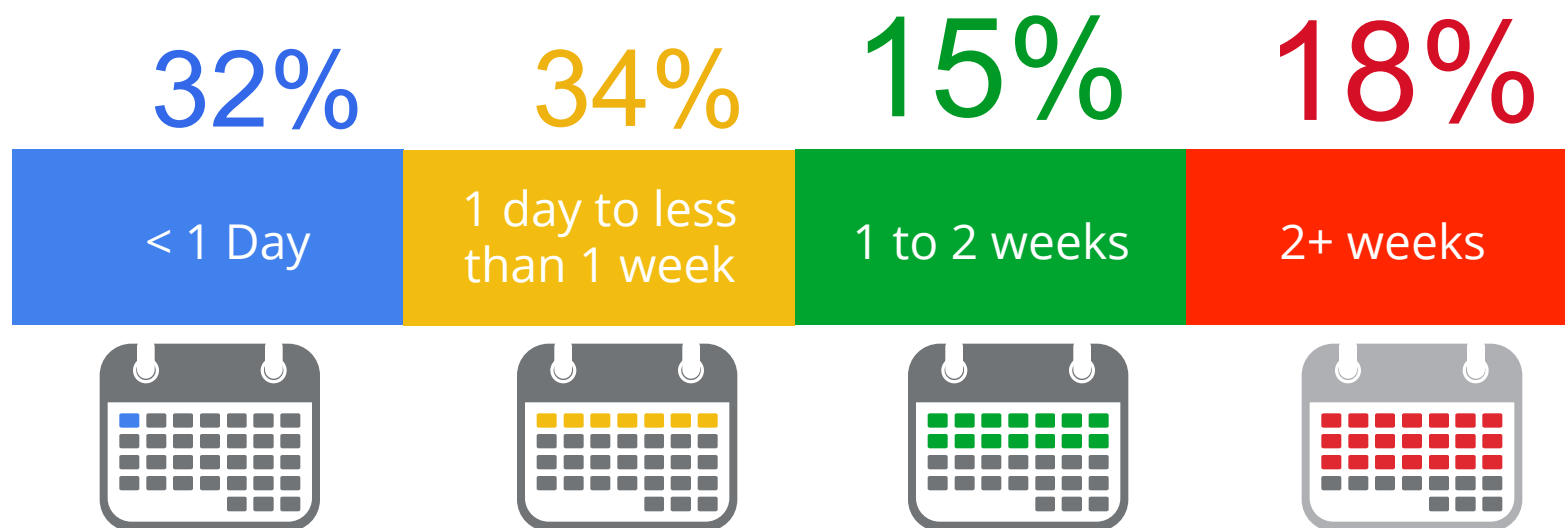
Key purchase drivers for impulsive shoppers...



- 73%** Received a good deal
- 19%** Like to wear the latest fashions
- 19%** Received free shipping
- 17%** Had a gift card
- 13%** Needed to meet a minimum free shipping requirement

Use deals, latest fashions and free-shipping as incentives to remarket to impulsive shoppers

Lengthen attribution window to account for shoppers who research longer



1 in 3 apparel shoppers took 1 to 2+ weeks to research

Key Takeaways

- 1 57% of Apparel Sales will be online influenced in 2012 :** Incorporate digital into every marketing plan and remarket to impulsive shoppers

- 2 Key purchase drivers are replacing worn clothes & needing new items:** Tailor creative messaging to increase likelihood of purchase and ensure consumers can find your brand

- 3 Consumers shop across devices and prioritize digital media for apparel research:** Be where your customers are

- 4 Offline advertising fuels online research:** Ensure digital campaigns align with offline

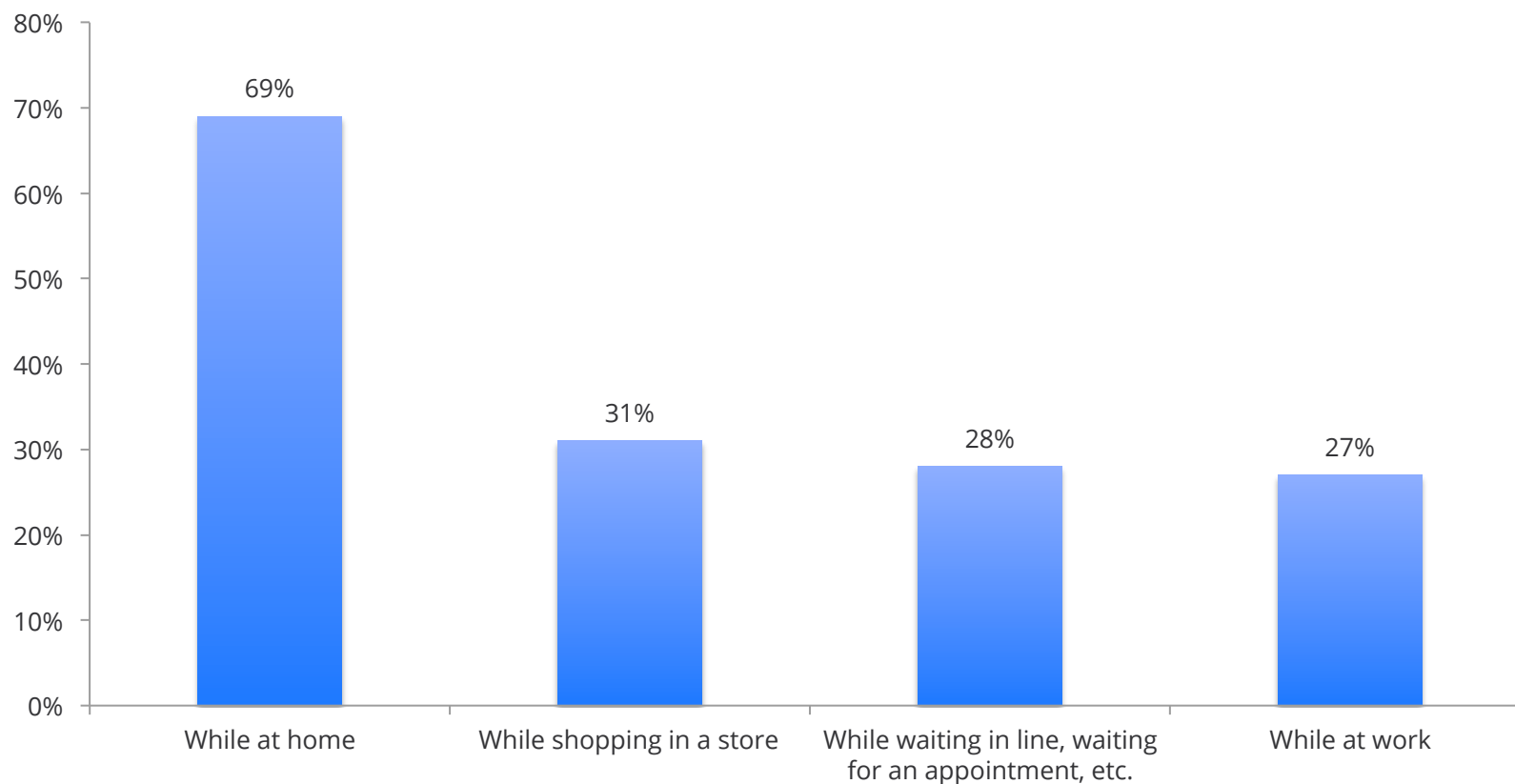
- 5 1 in 3 apparel shoppers took 1 to 2+ weeks to research:** Lengthen attribution windows to account for shoppers who research longer

The Role of Mobile

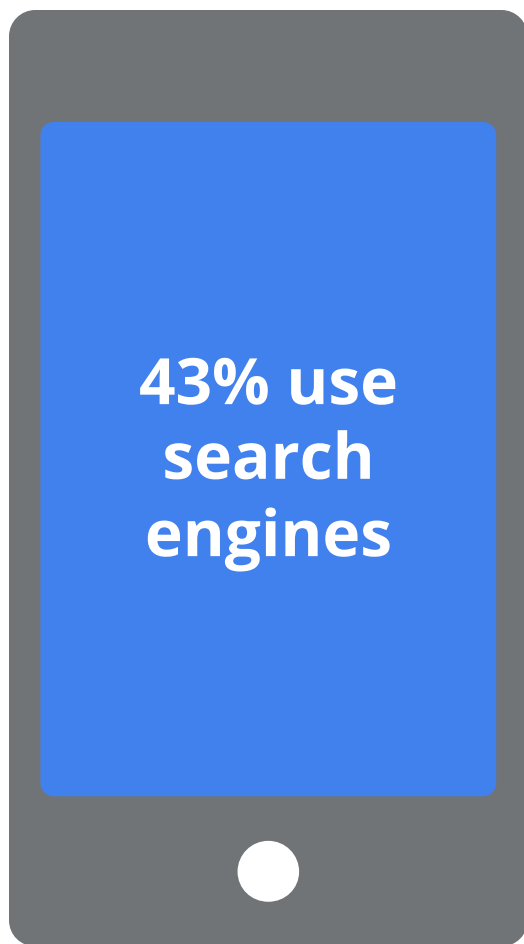


Mobile devices are constant shopping companions

Mobile Devices are used...



Apparel shoppers use mobile phones to shop



36%

Online only
retailer websites

31%

Retail store
websites

30%

Department
store websites

27%

Mass Merchant
websites

20%

Consumer
generated online
reviews

Mobile Search key to brand discovery : 47% of apparel shoppers discover brands via mobile device search

Search on mobile devices helps consumers...



43%

Compare prices across brands

31%

Discover brands they were unaware of

25%

Contact a retailer

20%

Compare product offerings

16%

Discover brands they were aware of but hadn't previously considered

Mobile devices are shopping assistants

- 56%** Compare Prices
- 44%** Look for promotions or coupons
- 42%** Read reviews
- 38%** Search inventory
- 16%** Scan a bar code while in store
- 13%** Contact a retailer, manufacturer or business other than by calling



After researching on a mobile phone in a retail store, **26%** ultimately purchased



19%

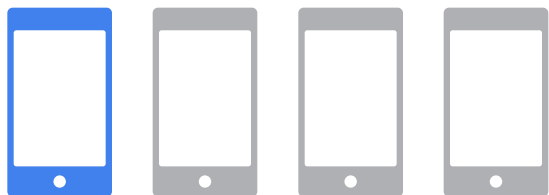
Made a mobile purchase
after seeing the product
in a store



7%

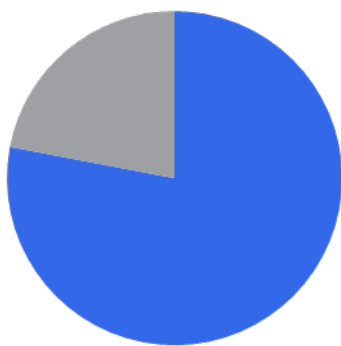
Made a mobile purchase
without seeing the product
in a store

Mobile researchers purchase more often and spend more per average order



Over **1 in 4** of mobile researchers purchased apparel **more than 6+ times** in the past 6 months

Vs. 16% of non-mobile researchers



78% of mobile researchers spent **more than \$50** on their last apparel purchase

Vs. 56% of non-mobile researchers

Key Takeaways:

- 1 Mobile devices are constant shopping companions :** Incorporate mobile into all of your marketing plans

- 2 Mobile Search key to brand discovery:** Use mobile to be discovered and build our brand

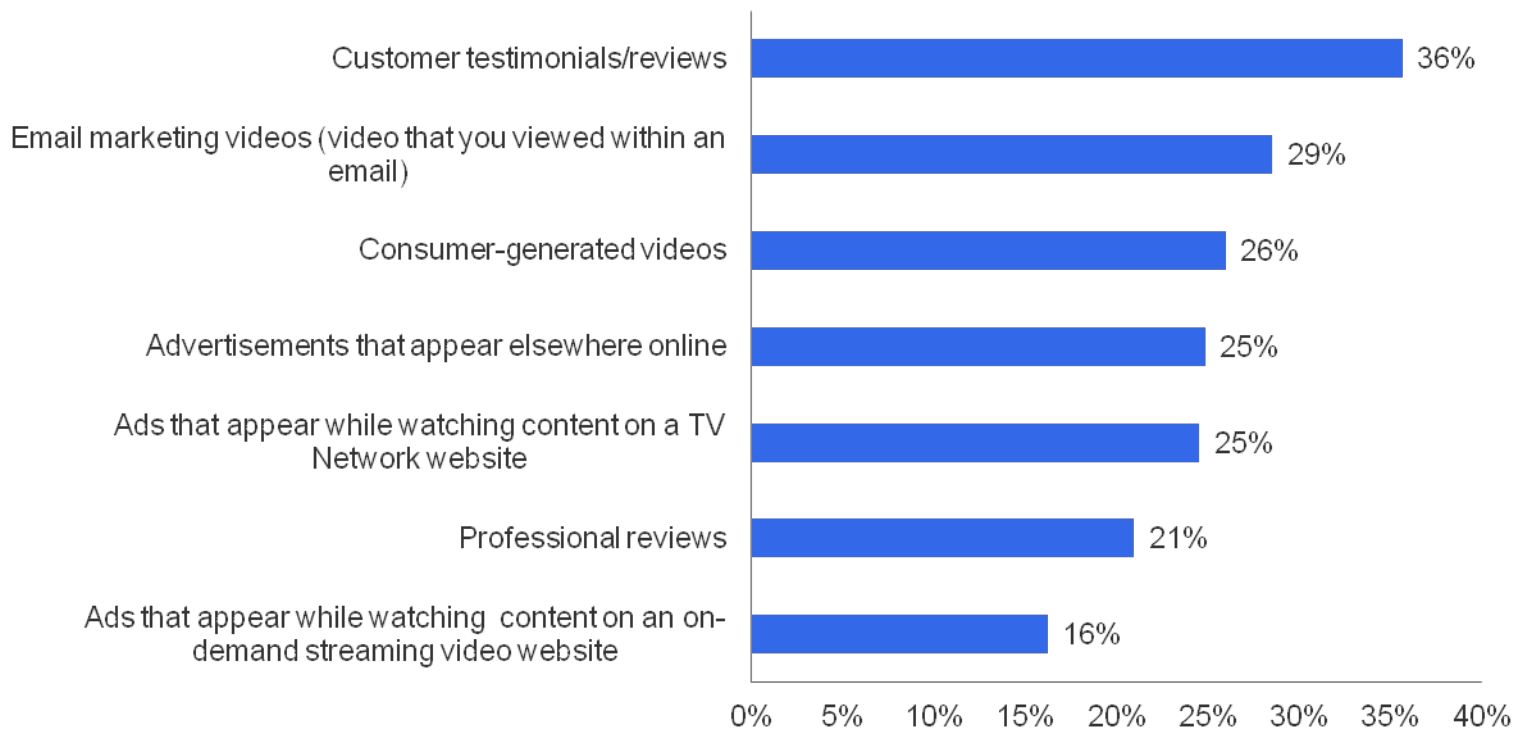
- 3 Over 1 in 4 apparel shoppers purchase on a mobile phone after using phone to shop in store:** Use mobile to reach consumers close to the point of purchase

- 4 Mobile researchers purchase more often and spend more per average order:** Use mobile to reach valuable customers

Video influences the apparel shopper

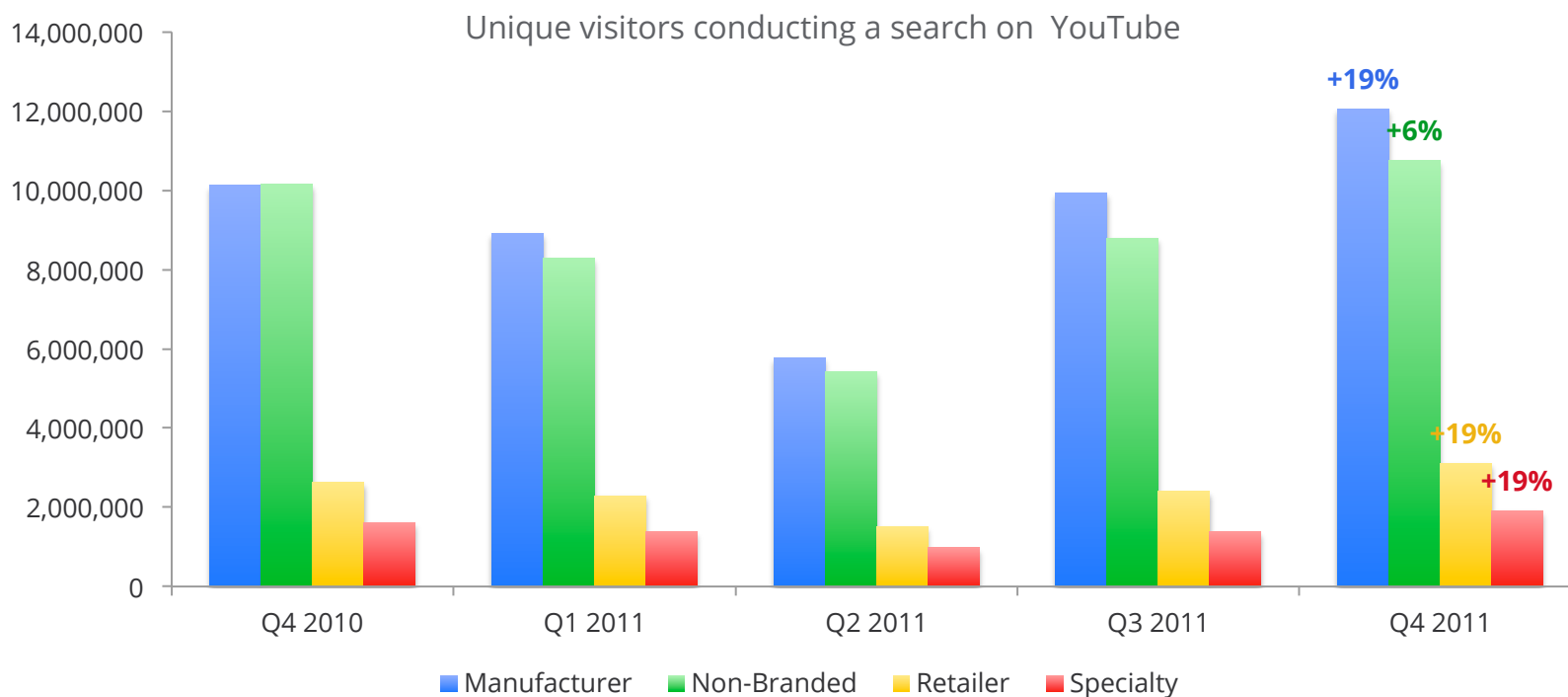


Apparel shoppers consume a wide variety of videos online during the research process



Reach video viewers via search: 1 in 5 videos are discovered via search

Apparel shoppers search on YouTube



Promote videos on YouTube via manufacturer and category terms

Videos drive consumers to shop in store and online

Apparel Shoppers watch videos on...



44%
Department Stores

37%
Retailer Websites

4 in 10 visited in store or retailer website as a result of watching apparel videos

Video ads top traditional media in encouraging purchase decisions

Purchase likelihood is influenced by the following sources...

34% are encouraged to purchase after viewing an online video ad



33%

Radio Ad

28%

Newspaper Ad

25%

Brochures and Pamphlets

16%

TV Ad

Video researchers are heavy purchasers & valuable

25% of video researchers
**purchased more than 6+
time** on apparel in the past 6
months

only 16% of non-video researchers did

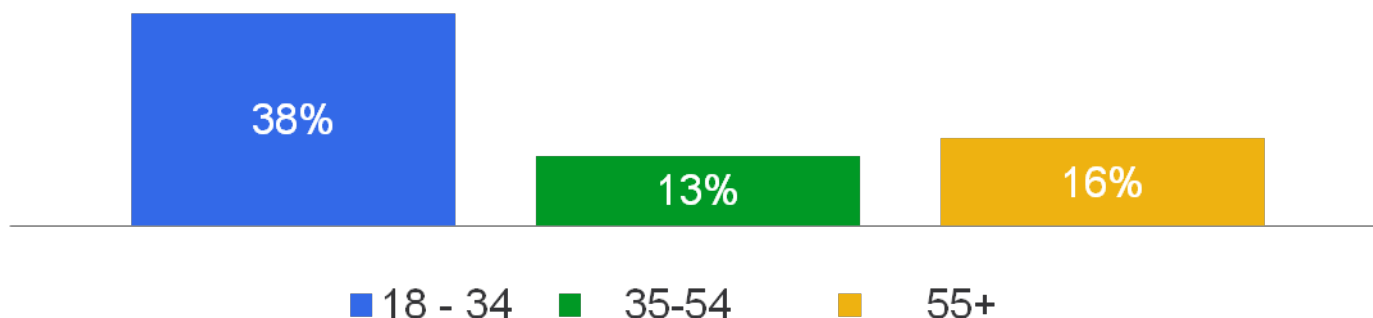
28% of video researchers
spent more than \$500 on
apparel in the past 6 months

Only 2% of non-video researchers did

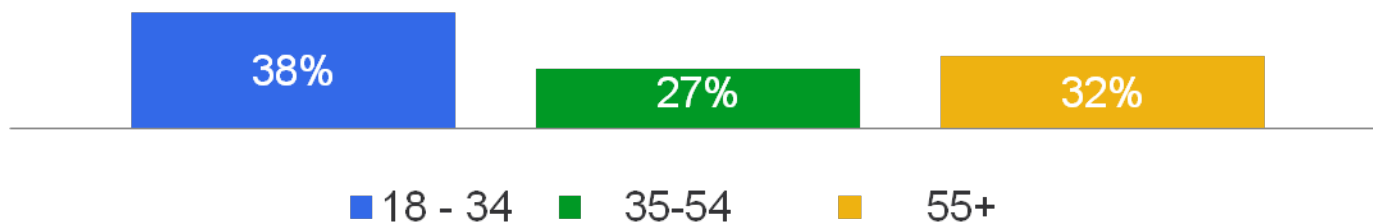


Millennials rely on video to fuel their decisions more than other demos

18 - 34 YO are over 2x more likely to rely on video to decide which company to purchase from...



18 - 34 YO are more likely to visit a store that sells the apparel item after viewing an apparel video...



Key Takeaways:

- 1 Videos drive consumers to shop in store and online:** Leverage video to drive in store and online sales

- 2 Video tops traditional media in encouraging apparel shoppers to purchase:** Incorporate more video into your mix to influence shoppers in their path to purchase

- 3 Video researchers purchase more and spend more:** Use video to reach valuable shoppers

- 4 Video is key for younger shoppers:** Millennials are avid online video viewers and use video to determine purchase behavior
